

## Guidance on Bank Accounts

- It is recommended that the number of bank accounts be kept to a minimum to ensure more efficient control and to minimise costs.
- All monies received for the benefit of the school should be lodged in the main school bank account.
- The maintenance of proper books and records in a standardised format will facilitate the analysis of the sources of income and patterns of expenditure. This reduces the need for separate bank accounts for the various sources of funds.
- In general, a school should operate one Current Bank Account to receive all income and make all payments and one Deposit Account to hold monies not required for immediate use. If a school is involved in a building programme it may need to open a special Building Account. All transfers between bank accounts should be clearly shown.
- While it is desirable that all accounts should be held in the same branch of the same bank, there may be circumstances where a Board might decide to open a deposit or investment account in a different institution where rates of return are higher. All transactions and transfers involving such accounts must be clearly recorded.
- No overdrafts should be entered into without the written approval of the Trustees and the formal approval of the Board of Management.
- All lodgements should be completed promptly using an authorised bank lodgement book. The books should be used in sequence.
- All original bank statements and other related documentation is retained in the school and available for inspection by authorised personnel.
- The internal financial controls for banking should provide assurance that:
  - all bank accounts and cash are secure
  - all bank accounts and cash are accurately recorded and reconciled
  - all bank accounts and cash are accurately recorded in the schools accounting system
  - all bank accounts and cash are used solely for the schools stated purpose

### Further Guidance

See Section 3: Banking of the [Internal Financial Controls Manual for schools](#)

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